



**POPULAR
INFORMATION**

A small step for political transparency

[A small step for political transparency - by Judd Legum - Popular Information](#)

[Judd Legum](#)

October 20, 2021

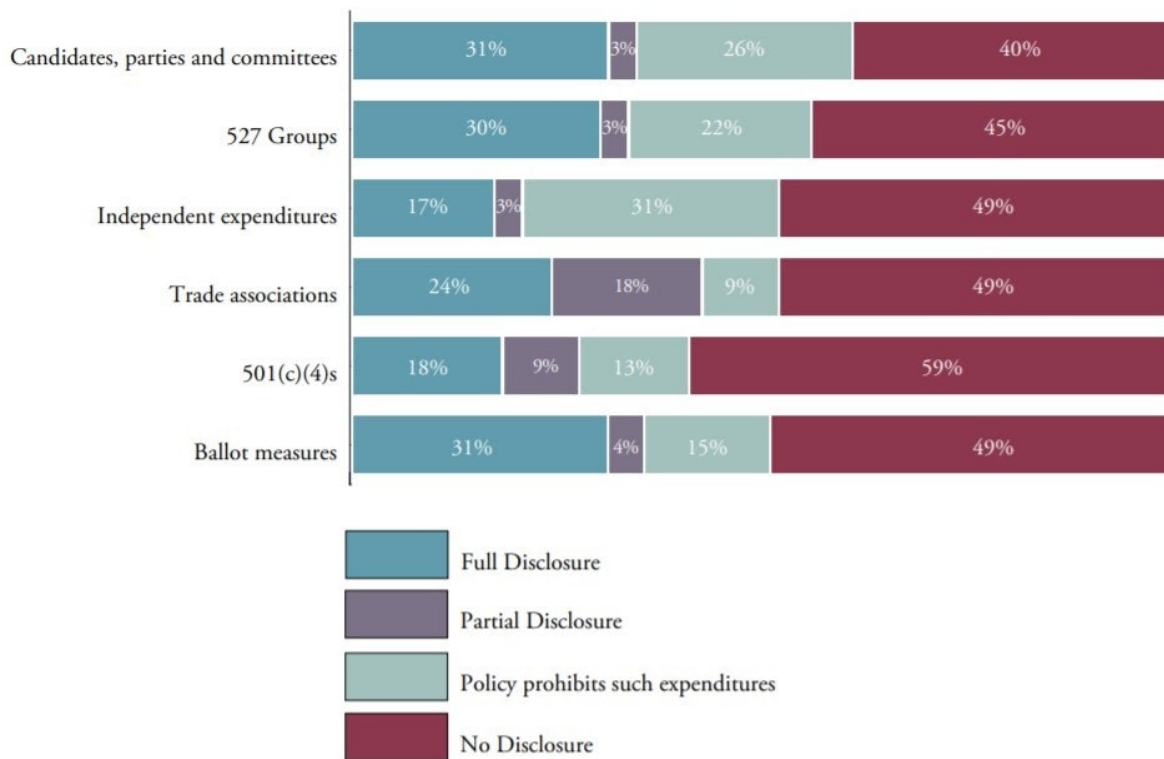
This newsletter spends a lot of time reporting on corporate political spending. Corporations are extremely powerful entities and how they spend their political dollars matters. But the reality is that, in the United States, corporations are able to keep much of their political spending secret.

For example, Popular Information recently [reported](#) on the top corporate donors to the sponsors of Texas' extreme abortion ban. But how much did these corporations contribute to Heritage Action, a 501(c)(4) non-profit organization that supports politicians pushing abortion bans? Corporations can keep that secret.

Earlier this year, Popular Information exposed the corporate donors to the sponsors of voter suppression legislation in [Georgia](#), [Texas](#), [Arizona](#), and [Florida](#). But how much money did these corporations send to the U.S. Chamber of Commerce, which is [fighting federal legislation to protect voting rights](#)? Corporations can keep that secret.

In response to pressure from advocates, some corporations have begun to [voluntarily disclose](#) more political spending. Still, among companies listed in S&P 500, only 18% fully disclose their contributions to 501(c)(4) advocacy groups, only 24% fully disclose their contributions to trade associations, and only 30% fully disclose their donations to 527 political organizations. Data from the Center for Political Accountability:

Figure 5: Levels of Disclosure, by Contribution Type



There is a better way. The SEC could require public companies to [disclose all of their political spending](#). A decade ago, the SEC began the process of creating a rule that would require full disclosure of political spending. In 2013, however, President Obama nominated Mary Jo White to be chair of the SEC. White said that she [opposed creating disclosure rules](#) that "appeared more directed at exerting societal pressures on companies to change their behavior rather than

at disclosing financial information to inform investment decisions." The effort was brought to a halt.

Then, in 2015, Republicans took control of the House and Senate and attached a rider to the federal budget preventing the SEC from using any funds to finalize a rule around political disclosure. It's been added to every budget since. The [most recent rider](#), passed in December 2020, says the following:

None of the funds made available by this Act shall be used by the Securities and Exchange Commission to finalize, issue, or implement any rule, regulation, or order regarding the disclosure of political contributions, contributions to tax exempt organizations, or dues paid to trade associations.

But now things are changing. Yesterday, the Senate released its [draft](#) of the appropriations bill that funds the SEC and [the rider was removed](#). The House version of the bill was released earlier and also removed the provision.

This would clear the way for the SEC to begin working on the disclosure rule in 2022, after the bill is passed. It could usher in a new era of greater transparency in corporate political spending.

But change has not come yet. It's likely that most appropriations bills, including the one funding the SEC, will be consolidated into an "omnibus" bill in December. This presents an opportunity for corporate lobbyists and others that benefit from secret corporate political spending to push to reinsert the rider.

Stay tuned.